

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8
COTTON VALLEY, LOUISIANA

ANNUAL FINANCIAL REPORT
DECEMBER 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/24/11

MARSHA O. MILLICAN
A PROFESSIONAL ACCOUNTING CORPORATION
SHREVEPORT, LOUISIANA

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8
COTTON VALLEY, LOUISIANA

ANNUAL FINANCIAL REPORT
DECEMBER 31, 2010

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Cotton Valley, Louisiana

December 31, 2010

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Commissioners
Webster Parish Fire Protection District No. 8
Cotton Valley, Louisiana

I have audited the accompanying basic financial statements of Webster Parish Fire Protection District No. 8, (the District) a component unit of the Webster Parish Police Jury, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the Webster Parish Fire Protection District No. 8's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects the financial position of Webster Parish Fire Protection District No. 8 as of December 31, 2010, and the respective changes in financial position for year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information on page 15 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with *Governmental Auditing Standards*, I have also issued a report dated June 29, 2011, on my consideration of Webster Parish Fire Protection District No. 8's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Marsha O. Millican

Certified Public Accountant
June 29, 2011

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Statement of Net Assets

December 31, 2010

	<u>Governmental Activities</u>
Assets	
Cash	\$ 191,165
Ad valorem taxes receivable	250,929
State fire insurance rebate receivable	5,881
Deposits	100
Capital assets - net of accumulated depreciation	<u>839,515</u>
Total Assets	<u>1,287,590</u>
Liabilities	
Accounts payable	10,926
Long term liabilities:	
Payable within one year	46,000
Payable after one year	<u>424,000</u>
Total Liabilities	<u>480,926</u>
Net Assets	
Invested in capital assets, net of related debt	369,515
Unrestricted	<u>437,149</u>
<u>Total Net Assets</u>	<u><u>\$ 806,664</u></u>

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Statement of Activities
For the Year Ended December 31, 2010

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>	
	<u>Expenses</u>	<u>Operating Grants</u>	<u>Capital Grants and Contributions</u>	<u>Total</u>	
Governmental Activities:					
Public safety-fire protection	\$ 189,429	\$ -	\$ -	\$	(189,429)
Interest on long term debt	-	-	-		-
Total Governmental Activities	\$ 189,429	\$ -	\$ -	\$	(189,429)
General Revenues:					
Taxes					
Ad valorem taxes				247,485	
State fire insurance rebate				5,881	
Parcel fees				-	
Interest Earned				222	
Miscellaneous				-	
Total General Revenues				253,588	
Change in Net Assets				64,159	
Net Assets, beginning of year				742,505	
Net Assets, end of year				\$ 806,664	

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Balance Sheet
Governmental Fund
December 31, 2010

ASSETS	
Cash	\$ 191,165
Ad valorem taxes receivable	250,929
State fire insurance rebate receivable	5,881
Deposits	<u>100</u>
Total Assets	<u>\$ 448,075</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable and accruals	\$ 10,926
Deferred revenue	<u>6,204</u>
Total Liabilities	<u>17,130</u>
Fund Balance	
Unreserved	<u>430,945</u>
Total Fund Balance	<u>430,945</u>
Total Liabilities and Fund Balances	<u>\$ 448,075</u>

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

**Reconciliation of Fund Balance on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
Year Ended December 31, 2010**

Fund Balances - Total Governmental Funds	\$ 430,945
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Add: Capital Assets	1,568,273
Deduct: Accumulated Depreciation	(728,758)

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.	6,204
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Certain liabilities, such as certificates of indebtedness, are not due and payable in the current period and therefore are not reported in the funds	<u>(470,000)</u>
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Net Assets of Governmental Activities	<u>\$ 806,664</u>
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The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

Revenues:	
Ad valorem taxes	\$ 245,134
State fire insurance rebate	5,881
Interest earned	<u>222</u>
Total Revenues	<u>251,237</u>
Expenditures:	
Current:	
Fire protection	564,625
Debt service:	
Principal	-
Interest	<u>-</u>
Total Expenditures	<u>564,625</u>
Changes in fund balance before other financing sources	(313,388)
Other financing sources:	
Proceeds from certificates of indebtedness	<u>470,000</u>
Net changes in fund balance	156,612
Fund Balances, Beginning of Year	<u>274,333</u>
Fund Balances, End of Year	<u>\$ 430,945</u>

The notes to the financial statements are an integral part of this report.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended December 31, 2010**

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ 156,612
Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$443,248) exceeds depreciation (\$68,050)	375,198
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net effect of prior year and current year deferred revenue.	2,349
Proceeds from debt are recorded as revenue in the governmental funds, but are repaid by long-term liabilities in the statement of net assets and does not result in an expense in the funds, but are recorded in the statement of net assets as liabilities.	<u>(470,000)</u>
Change in Net Assets of Governmental Activities	<u>\$ 64,159</u>

The notes to the financial statements are an integral part of this report.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Notes to Financial Statements
December 31, 2010

INTRODUCTION

The Webster Parish Fire Protection District No. 8 ("the District") was created by the Webster Parish Police Jury by ordinance as provided under the Louisiana Revised Statutes 40:1492 in 1988. The District is governed by a five member board. Two members are appointed by the Webster Parish Police Jury, two members are appointed by the Town of Cotton Valley, and the fifth member is appointed by the other four members and is the chairman of the District. The District is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the District. The District is a component unit of the Webster Parish Police Jury.

1. Summary of Significant Accounting Policies:

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These Statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that governments have presented in the past.

For the year ended December 31, 2009, the District implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and Government Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity is financial accountability. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

The District is a component unit of the Webster Parish Police Jury, the financial reporting entity. The Police Jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on the District.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Notes to Financial Statements

December 31, 2010

1. Summary of Significant Accounting Policies (continued):

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) report information of all nonfiduciary activities of the District. The statement of activities demonstrates the degree to which the direct expenses of a given function segment, or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function, segment or component unit. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District consists of one program, fire protection.

Governmental fund financial statements are provided for the District.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Accounting – In accordance with Government Accounting Standards Board Statement No. 34, the District has presented a Statement of Net Assets and a Statement of Activities for the District as a whole. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity – Interfund receivables and payables are eliminated in the Statement of Net Assets.

Application of FASB Statements and Interpretations – Reporting on governmental type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets – Tangible or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Equipment, furniture and fixtures, and buildings are recorded at their historical costs and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets

Program Revenues – The Statement of Activities presents two categories of program revenues - (1) charges for services; and (2) operating grants and contributions.

Charges for services are those revenues arising from exchange or exchange like transactions with external parties that purchase, use or directly benefit from the programs goods, services or privileges. Service charges (structure fees) are reported as charges for services.

Operating grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for operating purposes of a program. Supplemental salaries paid to the firefighters by the State of Louisiana, state revenue sharing, and fire insurance rebates are reported as operating grants and contributions.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Notes to Financial Statements

December 31, 2010

1. *Summary of Significant Accounting Policies (continued):*

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Restricted Net Assets – Restricted net assets are those for which a constraint has been imposed either externally or by law. Resources restricted for a specific purpose are exhausted before unrestricted net assets are used.

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government Fund Financial Statements – The Governmental financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Principal revenue sources considered are susceptible to accrual include property taxes, service fees, and interest on investments. Other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

Interest on general long-term obligations is recognized when paid.

Fund Accounting

The financial activities of the District are recorded in individual funds, each of which is deemed to be a separate accounting entity. The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including collection and disbursement of specific or legally restricted monies, the acquisition, construction or improvement of capital assets, and the servicing of long-term debt. Governmental funds of the District include:

General Fund – the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Notes to Financial Statements

December 31, 2010

1. Summary of Significant Accounting Policies (continued):

Budgeting and Budgetary Control

A budget for the ensuing year is prepared by the fire chief and approved by the board of commissioners prior to December 31st of each year. The proposed budget for the general fund is prepared on the modified accrual basis of accounting. The budget is legally adopted and amended, as necessary, by the board of commissioners. The board reserves all authority to make changes to the budgets. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. The budget was not amended in 2009.

Formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. At December 31, 2009, the District had no cash equivalents.

Use of Estimates

The preparation of financial statements generally requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Capital Assets

The District's assets are recorded at historical cost. Capital assets are recorded as expenditures in the governmental fund financial statements. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are charged to expense as incurred. Depreciation expense is recorded in the government-wide financial statements using the straight-line method over the useful lives of the assets. All assets of the District are reported in the accompanying financial statements.

Compensated Absences

The District had no liability for compensated absences at December 31, 2010.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Notes to Financial Statements

December 31, 2010

1. Summary of Significant Accounting Policies (continued):

Long-term Obligations

In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability reported on the Statement of Net Assets. In the fund financial statements, debt principal payments of the governmental funds are recognized as expenditures when paid.

Receivables

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectible accounts.

Governmental fund type receivables consist primarily of amounts due for property taxes.

Net Assets/Fund Balances

In the Statement of Net Assets, the differences between a government's assets and liabilities are recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt – This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets – This category records net assets that are restricted by external sources such as banks or by law are reported separately as restricted net assets.

Unrestricted Net Assets – This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Reserved – The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes.

Unreserved – The unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Notes to Financial Statements

December 31, 2010

2. Cash and Cash Equivalents:

At December 31, 2010, the District has cash in banks totaling \$191,165 follows:

	<u>Bank Balances</u>	<u>Book Balances</u>
Interest-bearing demand deposits	<u>\$ 193,346</u>	<u>\$191,165</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposits insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank that is mutually acceptable to both parties. At December 31, 2010, deposits of \$193,346 at banks were insured by FDIC insurance.

3. Ad Valorem Taxes Receivable:

Ad valorem taxes are collected by the Webster Parish Sheriff and remitted to the District on a monthly basis. For the year ended December 31, 2010 taxes of 12 mills were levied and dedicated to general maintenance.

Taxes receivable at December 31, 2010 totaled \$250,929 and are fully collectible.

4. Risk Management:

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss, including workers' compensation. There were no significant reductions in insurance coverage from the prior year.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Notes to Financial Statements

December 31, 2010

5. Capital Assets:

Capital asset activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Building & Improvements	209,395	38,758	-	248,153
Equipment & Furniture	<u>915,630</u>	<u>404,490</u>	<u>-</u>	<u>1,320,120</u>
Total	<u>1,125,025</u>	<u>443,248</u>	<u>-</u>	<u>1,568,273</u>
Less: Accumulated Depreciation				
Building & Improvements	(83,806)	(8,850)	-	(92,656)
Equipment	<u>(576,902)</u>	<u>(59,200)</u>	<u>-</u>	<u>(636,102)</u>
Total	<u>(660,708)</u>	<u>(68,080)</u>	<u>-</u>	<u>(728,758)</u>
Net capital assets	<u>\$ 464,317</u>	<u>\$ (28,580)</u>	<u>\$ -</u>	<u>\$ 839,515</u>

6. Long-Term Obligations:

A summary of change in long-term obligation bonds is as follows:

	<u>Certificates Of Indebtedness</u>	<u>Bank Notes</u>	<u>Total</u>
Balance, January 1, 2010	\$ -	\$ -	\$ -
Proceeds from borrowing	470,000	-	470,000
Principal payments	<u>(-)</u>	<u>(-)</u>	<u>(-)</u>
Balance, December 31, 2010	<u>\$ 470,000</u>	<u>\$ -</u>	<u>\$ 470,000</u>

Long-term debt consisted of Certificates of Indebtedness, Series 2010 issued February 10, 2010 in the amount of \$470,000. The certificates bear interest at a rate of 3.95%. The certificates were issued to fund station improvements and purchase equipment.

The annual requirements to amortize all long-term debt outstanding as of December 31, 2010, including interest payments of \$89,720 are as follows: December 31, 2011 - \$ 61,168; December 31, 2012 - \$60,884; December 31, 2013- \$60,561; December 31, 2014- \$61,179; December 31, 2015 - \$61,717; December 31, 2016 and thereafter - \$245,387.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual General Fund

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Ad Valorem Taxes	\$ 259,405	\$ 259,405	\$ 245,134	\$ (14,271)
Intergovernmental revenues:				
State fire insurance rebate	-	-	-	-
State revenue sharing	5,000	5,000	5,881	881
Grants	-	-	-	-
Interest earning	500	500	222	(278)
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	<u>265,905</u>	<u>265,905</u>	<u>251,237</u>	<u>(14,668)</u>
Expenditures:				
Current fire protection:				
Personal services	40,000	40,000	41,226	(1,226)
Operating services	70,800	70,800	44,652	26,148
Materials and supplies	50,700	50,700	34,771	15,929
Travel and other	1,500	1,500	728	772
Debt service	62,000	62,000	-	62,000
Capital outlay	-	-	443,248	(443,248)
Total Expenditures	<u>225,000</u>	<u>225,000</u>	<u>564,625</u>	<u>(339,625)</u>
Changes in Fund Balance before Other Financing Sources	40,905	40,905	(313,388)	(354,293)
Other Financing Sources:				
Proceeds from certificates of Indebtedness	-	-	470,000	470,000
Excess Revenues Over Expenditures	40,905	40,905	156,612	115,707
Fund Balances, Beginning	<u>274,333</u>	<u>274,333</u>	<u>274,333</u>	-
Fund Balances, Ending	<u>\$ 315,238</u>	<u>\$ 315,238</u>	<u>\$ 430,945</u>	<u>\$ 115,707</u>



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the Board of Commissioners
Webster Parish Fire Protection District No. 8.
Cotton Valley, Louisiana

I have audited the component unit financial statements of Webster Parish Fire Protection District No. 8 as of and for the year ended December 31, 2010, and have issued my report thereon dated June 29, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Webster Parish Fire Protection District No. 8's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected on a timely basis.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Webster Parish Fire Protection District No. 8's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings as Finding #2010-1 and Finding #2010-2.

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This report is intended solely for the information and use of management and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Marsha P. Melia

Certified Public Accountant

June 29, 2011

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Corrective Action Taken on Prior Year Findings

For the Year Ended December 31, 2010

FINDING 2009-1:

The District is not in compliance with the State Budget Law.

STATUS: Unresolved.

FINDING 2009-2:

The District did not file its financial statements with the Legislative Auditor within the time frame required by State Law.

STATUS: Resolved.

FINDING 2009-3:

The District is not in compliance with LSA-RS 42:7 that requires all public bodies to keep written minutes of all of their open meetings.

STATUS: Unresolved.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Schedule of Findings

For the Year Ended December 31, 2010

Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
3. Two instances of noncompliance material to the financial statements of Webster Parish Fire Protection District No. 8 was disclosed during the audit.

Finding/Noncompliance

FINDING # 2010-1:

Condition: The District is not in compliance with the State Budget Law. Actual expenditures exceeded budgeted expenditures by more than 5% and the District did not amend the budget.

Cause: Oversight.

Recommendation: I recommend the District comply with the State Budget Law.

Management's Corrective Action Plan: We agree with the finding. We will comply with the State Budget Law in the future.

FINDING # 2010 -2:

Condition: The District is not in compliance with LSA-RS 42:7 that requires all public bodies to keep written minutes of all of their open meetings. The District did not keep minutes of all meetings of the Commissioners. The District did not keep minutes for the meeting in which the budget was adopted.

Cause: Lack of personnel.

Recommendation: I recommend the District keep written minutes of all meetings as required by state law.

Management's Corrective Action Plan: We agree with the finding. We will keep written minutes of all meetings in the future.